

FISCAL NOTE

Bill #: SB 460

Title: Generally revise school laws

Primary

Sponsor: Alvin Ellis

Status: As Introduced -Post CI-75

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. When the Montana Supreme Court declared CI-75 invalid, many sections of SB 460 became void. The remaining sections of SB 460 address the dates for school elections, school openings and closings, the spring enrollment count, and other dates in the school finance laws.
2. SB 460 requires school districts that are budgeting above the maximum to reduce their budgets by the same percentage that enrollment declines. Once the district is at the maximum, it is not required to reduce its budget any further. The state does not participate in funding the over-BASE portion of the general fund budget, so there is no fiscal impact to the state.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The over-maximum districts that are required to reduce their expenditures under this bill will see a reduction in educational services and in local property taxes.

(continued)

Under SB 460, districts will only be able to offer one levy election in a year and levy elections must be held at the same time as other elections on the first Tuesday following the first Monday in June. Not all districts run a levy election. The number of elections by school districts will decrease. It is unknown how many elections will be reduced as a result of this legislation.

The estimated cost of an independent school election is \$0.45 per voter. The estimated cost of a school election that is combined with other elections is one third of this cost. If every district had one fewer election the resulting savings would be \$0.45 per voter less one third or \$0.15 per voter for a net of \$0.30 per voter. The statewide savings to school districts is estimated to be \$0.30 times 639,241 (the number of registered voters) for a total of \$191,772.